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ABSTRACT

Activity sheets for seventh and eighth grade student use in economics are contained in this document. Activities are developed in the following areas: checking accounts, bank account applications, check writing, keeping a check register, using checks, budgets, insurance, responsibility and planning, consumer shopping, supermarkets, taxes, help wanted ads and abbreviations, producers and consumers, charge accounts, budgeting income, and income levels. (TA)

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CAREER ORIENTATION

7-8

STUDENT ACTIVITY SHEETS

IN

ECONOMICS

NOVEMBER 1977

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E. L. Flowers Economics Intro. Checking Account student sheet

People who receive money and do not want to keep much cash around usually open a checking account. Checks can be used instead of cash Checks are much better than cash to send through the mail, and a check is a receipt if it is used to pay a bill

The bank gives the person who opens the account an account number and a supply of checks The bank also furnishes a check register so that the person who owns the account may have a record of the checks he/she writes.

When an individual opens a checking account he/she deposits an amount of money. Whenever the person writes a check, the amount of the check is entered into the register and subtracted from the amount in the account What is left in the account is the balance.

Most banks charge a Service Charge for keeping an account Some service charges are the same each month (one or two dollars). Others are computed by the number of checks written. At the end of the month the bank sends a statement. This statement shows the amount of money (balance) in the account at the beginning of the month, the deposits made, the checks written, and the balance at the end of the month. The bank returns to the account holder all the checks written during the month. These cancelled checks are a record of payment and should be saved for several years.

In the next several lessons you will see a check register and check specimens.

Can you answer these questions on the above reading?

1. People who do not wish to keep much cash around often open a c_____ a_____.

2. Paying bills by check helps because the cancelled check is a r_____.

3. A record of checks and deposits is kept in a c_____ r_____ furnished by the bank with your supply of checks

4. A small s_____ c_____ is charged by the bank on the monthly statement and deducted from your balance.

5. Checks which pass through the bank are c_____.

6. C_____ are safer than money to send through the mail.

E. L. Flowers Economics Checking Account Student sheet

Below are many of the terms you will need to know if you decide to open a checking account. Read the glossary, learn as many of the terms as you can, and use the terms to fill in the blanks of the paragraph.

GLOSSARY:

account--name to which money is deposited in the bank
account number--the number that belongs to you alone; listed on your check
balance--amount remaining in the bank after you have made some checks
deposit--amount of money you put into the bank
endorse--the name you write on the back of a check MADE OUT TO YOU; it must be written exactly as the name on the front of the check (pay to order)
overdrawn--the state of an account when your check amounts have exceeded your deposits
payee--person or company to whom the check is made out
number--check number located in upper right corner so you can keep track of the checks you write
service charge-- (S.C.) amount bank charges monthly for your checks and account
signature--name at lower right corner of check, signed by the person who writes the check
statement--list sent by bank at end of the month which lists deposits, amounts of checks you made out, and balance in account at the end of the month.

When Jeff Clark began earning a salary, he opened a checking account in his name. His account number was 400-38-0686. He received $100. salary on March 1. He put the entire amount into his checking a_____.

The amount he put into his account was his d_____. The next day he made out a check to Midas Muffler for $25. Midas was the p_____.

Jeff signed the check Jeff Clark, which was his s_____.

Jeff subtracted the $25. (the a_____ of the check) from the $100. he had in the bank. $75. was his b_____. The next week when he received his salary, Jeff made another d_____ of $100.

Fill in this form as if you were opening a bank account. Under occupation write "student." Write your own Social Security number if you have one. Otherwise, use 000-00-0000. Under business address write the address of your school

SIGN HERE		
Address		
Birthplace	Date of Birth	Husband's/wife's name
Occupation	Father's name	
Soc. Security No. ___-__-___	Mother's maiden name	
Business address		

E. L. Flowers Economics check writing Student sheet

Below is a specimen (sample) of a check. Examine the sample check, and locate the answers to the following questions.

Every check has five major parts. There is a space for the date, for the person the check is made out to, and for your signature. There are two spaces for the amount of the check. In the first space, the amount is written in numbers. In the second space, the amount is written in words. That way, no one can change the amount of your check.

1. When is the date the check was written?_____

2. To whom was the check made out (who was to receive the money?)_____

3. What is the name of the person who has the account?_____

4. What is the amount of money in this check?_____

5. What is the signature on this check?_____

306

May 1 1977

Pay to the order of Ohio National Life Insurance Co $ 53^00

Fifty-three and 00/00 Dollars

Memo Insurance premium

B L Moore

Review the information you learned in the previous lesson by looking at the check below. Remember the five main parts of the check and locate them on this check.

(Check Number)_____

(Month & Date) 19 (year)

Pay to the
Order of (Who Receives the Money) $(Dollars and cents)

(Amount of money written out) Dollars

Memo (Why check was written)

(Signature)

Using the check sample below, fill in the following information:

Number of the check -- 17

Amount of the check -- $18.50

Person who owns this account -- Use your own name

Payee (Person to whom the check is made out -- Sandra Wright

Date of the check -- April 3, 1977

_____ 19_____

Pay to the
Order of_____ $ _____

_____ Dollars

Memo_____

_____

Below are a sample check register and a list of the deposits made and checks written. Write them in the proper spaces. Subtract the amount of the check each time a check is written to find the new balance.

March 9--balance in account was $200.
March 10--deposit $100. to account; balance is $300.
March 12--check to McAlpin's, $20.; new balance $280. check No. 331
March 14--check to Sohio for gas and oil--$10.00 check No. 332
March 17--check to Shillito's for $30. check No. 333
March 21--check to Kroger's for $40. check No. 334
March 24--deposited birthday gift of $50.
March 31--balance at end of month _____

CHECK REGISTER							
Check No.	Date	Check issued to	Amt. of Check	✓	Date dep.	Amount of Deposit	Balance

Recall the five main parts of a check. Remember also the following check list which you have not received before.

1. Write a check only if your balance is greater than the amount of the check (if you have enough money in your checking account to pay for it).
2. Sign only your own name to a check.
3. Never sign a check unless it is filled in completely.
4. Never give someone a BLANK check to be filled in. Always be sure to have the amount filled in by numbers and in writing.
5. Use a pen, never a pencil, to write a check.
6. Date the check the day you are writing it.
7. Be sure to record the check information in your check register.

Thechecks below were not accepted by the bank because they were not made out correctly. Look at each check carefully and under each one, write what is wrong with it.

101

January 3 19 77

Pay to the Order of Northern Realty Co $ 850 00

- Eighty-five and no/100 Dollars

Memo _____ James C. Stuart

123 456 78

Find 2 mistakes in check #101

_____ _____

102

January 3 19 87

Pay to the Order of _____ $ 13 50

Thirtien and no/100 Dollars

Memo Shellito's James C. Stuart

123 456 789

Find 2 mistakes in check #102

_____

_____

E. L. Flowers Economics Budget Student sheet

Do you have money problems? Maybe a budget would help you. You don't have to be a math genius to have a budget. You just need a simple plan. Here is one plan you may study and follow for your budget. There are three parts:

INCOME: This shows how much money you earn or receive each week This section shows the date and how you earned the money.

EXPENSE: This section shows how much money you spend each week. It also shows the items you buy.

SAVINGS: This section shows the things you would like to save money to buy. It shows how much money you put into your savings.

Here is a chance to practice working on a budget. There is a budget chart at the bottom of the page. Fill it in, using the list of money one person earned and spent during one week in April. Put all of the information on the list into the chart. Then, add up the totals. The total saved and spent should be the same as the total earned.

April 1	$2.17	savings for a sweater
April 2	5.50	earned for cleaning basement
April 5	4.00	spent for birthday gift
April 3	5.00	received allowance for week
	1.50	snacks during week
April 3	3.00	spent for school pictures
April 4	.15	spent for school paper
April 6	1.50	earned baby sitting

INCOME			EXPENSE		SAVINGS	
Date	How I EARNED money	AMOUNT I earned	What I BOUGHT	AMOUNT I SPENT	What I Want to Buy	Amount I NEED

E. L. Flowers Economics Insurance #1 Student sheet

Insurance helps protect us against emergencies. Just as there are many different kinds of emergencies, so there are many different kinds of insurance.

Life insurance--Pays when the person insured dies

Health insurance--Pays when the insured is ill or hospitalized. Different policies have very different coverages.

Accident insurance--Pays the insured or another person injured.
Liability--Pays a person injured on the insured's property
Fire--Pays when a fire occurs
Home Owners--Usually covers theft or damages in the home
Theft--Pays when articles are stolen
Medical Malpractice--Pays a patient who wins a lawsuit when the doctor has been charged with wrongdoing; also pays lawyer's expenses for the doctor
Property--Pays for property damage
Auto--Pays in case of accident or vandalism

What kinds of insurance do you think the following people should have?
Put X under the column headings.

	HEALTH	AUTO	MALPRACTICE	LIFE	HEALTH	ACCIDENT	FIRE	THEFT	PROPERTY
A young woman who has just bought a car									
A construction worker									
A person who owns a house									
A person who owns diamond rings									
Anyone responsible for self or others									
A person who lives in an apartment									
A bus driver									
A teacher									
A doctor									
A person who owns a vicious dog									
An ice skater									

E. L. Flowers Economics Insurance Student sheet

Insurance is a way we protect ourselves against emergencies. There are many kinds of insurance and hundreds of kinds of policies or coverages. Let's clarify some of the terms:

Policy--insurance agreement
Coverage--what the policy will pay for, and how much it will pay
Premium--the amount you regularly pay to the insurance company
Agent--the person who sells you insurance. He works for an insurance company.
the Insured--Person named in the policy who generally pays the premium
Benefits--amount received in case of loss or damage

Answer the following questions by using the above reading:

1. An insurance agreement is also known as a p_____

2. I_____ is a way we protect ourselves against emergencies.

3. What the policy will pay for is called c_____.

4. The amount a policy will pay is called b_____.

5. The person who sells insurance is known as an insurance a_____.

6. Another name for the amount paid to the insurance company is p_____.

7. There are _____ different kinds of insurance.

1. We protect ourselves against emergencies by a) fighting b) premiums c) insurance

2. A person who sells insurance is called a a) buyer b) purchaser c) agent

If you will be working for a salary (or living on a "fixed" income), you will have to decide which of your wants or needs must be paid for before others. You will probably decide that, since our basic needs are food, clothing, and shelter, these expenses will be high on your list of priorities. Many decisions and exercises in problem solving arise when you must, for instance, decide between expensive clothing and useful clothing; between a new car and a used car.

List in importance 10 items that you must use your salary for if you are responsible for yourself. Be sure that you put the most necessary item in #1 spot, the next most necessary in #2, and so on down the line.

1._____ 6._____

2._____ 7._____

3._____ 8._____

4._____ 9._____

5._____ 10._____

What problem arises if you choose to spend your money for less necessary items? If you, for instance, spend the rent money for a vacation trip?

How would many people solve such a problem? They would borrow money, or buy many necessary things on credit.

Credit means charging items, paying later for what you use now. Credit can be very useful, but it can also destroy a person who borrows more than he/she can earn to repay.

What are some of the consequences of the unwise or overuse of credit?

E. L. Flowers Economics How Do You Shop? Student sheet

ANSWER Yes or No to the following questions.

___1. If I buy something that breaks almost as soon as I use it, I take it back to the store.
___2. Should a store replace or refund my money for an article that breaks or doesn't work when I take it home?
___3. Do I find out before I buy if I have all the parts necessary to make my purchase usable--batteries if they are not included; shoe laces if they are needed; milk if a cake mix calls for it.
___4. I fill out and send to the company guarantees and warranties.

___5. I buy things that I will be able to use.
___6. I count my change.
___7. I check my purchases with the cash register tape or sales slip.
___8. I check ads in the newspaper before I go shopping.

___9. I know where to call or write if I have been cheated by a store or salesman.
___10. When I buy clothes, I read the label to see if they must be dry cleaned.
___11. I try to buy items when the price has been lowered or on bargain days.
___12. I try to pay cash rather than put things in layaway.

___13. I know that extended credit costs me, so I try to save money before I buy, to avoid credit charges. (Credit charges can run as high as 18% a year).
___14. Things I buy in the "off season" (winter coats in August, air conditioners in January) will save me money.
___15. In a supermarket, the store's own brand will probably be a few cents cheaper than other brands.
___16. The date stamped on a carton of doughnuts or gallon of milk tells how long the product will stay fresh.

Give yourself 1 point for each "yes" answer.

Rate yourself--

14-16 - SUPER SHOPPER
11-13 - SMART SHOPPER
8-10 - SO-SO SHOPPER

Below 8 - Let someone shop for you!

E. L. Flowers Economics Supermarket Student sheet

Supermarkets have sales and coupon savings each week Shoppers who compare ads and clip coupons are super shoppers. Some weeks chicken is expensive, beef is cheap; eggs are high, potatoes are low in price. It is wise to check the weekly specials and buy in quantity then, if goods won't spoil. A deep freeze is a smart investment.

Look at these newspaper ads. Answer the questions.

Oranges - 80¢ dozen bag $2.20 3 dozen bag SAVE 20¢	Jeno's Pizza - 15 oz - 89¢ SAVE 67¢ 3 for $2.00
Onions - 3 lb. bag 49¢ SAVE 30¢	SLICED AMERICAN CHEESE 1 lb. 39 BUY 2 lb., GET ONE FREE
1-lb. 69¢ - GROUND BEEF 3-lb chub. - $1.80	BACON $1.79 lb SAVE 30¢ with coupon SAVE 30¢
CHEESE RAVIOLI 1 lb 59¢ package	3 dozen LARGE EGGS $1.80 reg. 69¢ dozen

Is beef cheaper by the 3 lb. package?_____
Would the 3 dozen oranges be a good buy if there were two people in the family?_____
How much is 1 lb. bacon with coupon?_____
How are the oranges packed?_____
How many pizzas must you buy to get the special price?_____
What kind of ravioli is on sale?_____
Are eggs cheaper by 3 dozen?_____
Should a person who is living alone buy the 3 dozen eggs?_____Why?_____
How much money will be saved by the American cheese bargain?_____

E. L. Flowers Economics Super Shopper Student sheet

The super shopper makes necessary purchases and chooses the best time of year to buy them. The shopper knows that stores hold clearances at the end of the season so they will not have to put away merchandise from one year to another. Putting merchandise away costs money--not only because the merchant must pay the people who load the merchandise, but because stores need warehouse space for new items coming in, not for old merchandise that people didn't buy.

Knowing when to buy can save you a bundle--

For instance, after Xmas clearances and after Fourth of July clearances are full of values in every department.

Super shoppers buy Xmas cards, decorations and wrappings after Christmas. They are ½ price -- $20. dollars worth of Christmas cards and gift tags will sell for $_____. Mountain King Christmas trees (originally $49.95) will sell for $25.00

Check over the following table. Then answer the questions below.

IF YOU WANT TO BUY	"BARGAIN CALENDAR" GOOD MONTHS TO BUY ARE
Air conditioners	February, July, August
Bicycles	January, February, September, October
Blankets	January, May, August, November
Cars (new)	August, September
Cars (used)	February, Novemver, December
Children's clothes	July, September, November
China, glassware	January, February, September, October
Coats, women's	January, April, August, October, Nov. De
Coats, men's	January, August, October
Drapes, curtains	February, August
Fishing equipment	October
Furniture, furnishings	Jan. Feb. May, June, August, October
Furs	January, July, August
Gardening equipment	August, September
Handbags	January, July
Linens	January, May, August, November
Luggage	March, May
Radios, phonographs, stereos	January, February, April
Ranges	April, October, November
Refrigerators, freezers	January, July
Rugs, carpets	Jan. Feb. May, June, July
School clothes, supplies	August, October
Ski equipment, skates	March
Sportswear	January, February, July
Storm windows	January, February, March
Summer clothes, fabrics	June, July
TV sets	May, June
tires	May, end of August
Toys	Jan. Feb. November

List one month when it is a good idea to make the following purchases.

radio_____
school clothes_____
TV set _____
air conditioner_____
winter coat _____
sportswear (summer)_____

fishing equipment_____
skates _____
summer clothes _____
bicycle _____
sportswear (winter) _____
toys _____

E. L. Flowers Economics Supermarket Student sheet

Usually at a supermarket or large store the same kinds of things are arranged in the same sections.

TIME IS MONEY if you are paying a baby sitter while you are at the store, or if you have many other things to do the same day you have to go to the grocery. Saving time will save you money.

Arrange the following items as they will be in the sections of your store, keeping similar items together.

ice cream	flour	bags of oranges	floor wax	lettuce
canned green beans	frozen pizza	chocolate milk	frozen orange juice	carrots
bread	cottage cheese	cake mix	ground beef	grapefruit
popcorn (in bags)	pretzels	butter	TV dinners	pork chops
laundry soap	potato chips	doughnuts	cantaloupe	roast beef

Aisle # and group	6 Snacks	7 Housewares	4 Flour & Mixes	5 Bakery	3 Canned Vegetables

9 Frozen Food	2 Meat	8 Dairy (Milk, cheese, butter)	1 Fresh Fruit

Beginning at Aisle #1, list the HEADINGS of the items as you would put them into your cart.

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

E. L. Flowers Economics Consumer --shopping Student sheet

Do you know how to shop for food? That question isn't as silly as it sounds. There are thousands of items in the average supermarket. It is hard to know which things to choose.

In the last two years, food prices have gone up about 35 per cent. But there are many ways to save money when shopping. Read the following list and mark the items that could help you when you shop for groceries or for other items.

___1. Cut down on "quickie" foods. Frozen vegetables are much more expensive than fresh.

___2. Read the ads. Buy what is on special that week.

___3. Use coupons and stock up on non-perishable items. 10 oz. of coffee, regularly $2.43, may be $1.59 with coupon.

___4. Don't shop when you are hungry.

___5. Buy less snack food.

___6. Buy larger quantities of items that will keep.

___7. Compare! Compare sizes and weights of different brands.

___8. Try not to take little children shopping with you.

___9. Plan your list before you begin to shop and stick with it.

___10. A small calculator is a good investment. Plan how much money you will spend, and do not exceed that amount.

___11. Remember that while most grocery items are not taxable, many items you buy in a grocery can have tax--medicines, housewares, magazines, cigarettes. Include the tax in your calculations to avoid over-spending.

___13. You will spend less if you pay cash rather than write a check.

E. L. Flowers Economics Taxes Student Sheet

Did you ever go into a store with just the amount of money to purchase a record or a ball point pen and run out of money--because you forgot to add sales tax? Maybe you were angry with yourself for forgetting or with the government for charging the tax. This tax on articles purchased is a sales tax.

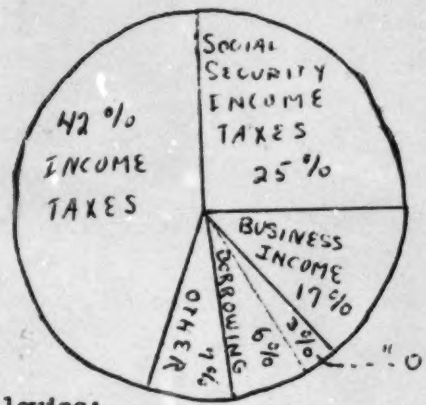
What are some of the uses of our tax money? (Sales, Federal, State, Local)

To run the government
To pay salaries of government employees
To keep schools going
To pay firefighters and police officers
To make welfare payments
To maintain the armed services
To build and maintain highways

Some taxes are taken out of salaries before people even receive their checks. These are WITHHOLDING taxes, or income taxes. Income taxes are charged on the amount of money earned in a year. Income taxes are progressive; the larger the amount of money a person earns, the greater per cent of taxes he must pay. SOCIAL SECURITY TAXES are taken from pay checks to give workers a monthly income when they retire or if they become disabled.

Every year in the spring, tax payers fill out tax forms which show how much they owe the government--or how much the government owes them if they have had too much tax withheld. The amount the government pays the person is a TAX REFUND.

The following graph shows where the U.S. government receives the money it needs to keep going. The entire graph (the pie graph) stands for $1.00. Each per cent of the dollar in the graph is one cent. Can you turn the per cents into money?



"OTHER" - INCLUDES GASOLINE TAXES

Where the U.S. government gets its money

Answer the following:

For every dollar of taxes, _____ cents come to the Federal government from income taxes.
_____ cents come from income taxes. (Social security)
_____ cents of the federal income dollar comes from borrowing.
_____ cents come from business income.
_____ cents come from other sources.
_____ cents come from other taxes, such as gasoline taxes.

1. The tax added to an article you purchase is called a) income tax b) Social Security c) sales tax.

2. Taxes taken out of your paycheck are called a) welfare b) gasoline tax c) withholding tax

E b. Flowers Economics Ads and Abbreviations Student sheet

How many of thest abbreviations do you recognize? Several of them were on sheets that you have already studied. Most of them will be found in help-wanted ads.

See how many abbreviations you can match with their written-out meanings.

___	1.	yr.	a.	good
___	2.	gd.	b.	telephone
___	3.	h.s.	c.	young
___	4.	advc.	d.	opportunity
___	5.	tel.	e.	year
___	6.	wk.	f.	salary
___	7.	yng.	g.	graduate
___	8.	oppty.	h.	school
___	9.	sal.	i.	advancement
___	10.	trnee	j.	months
___	11.	grad.	k.	experienced
___	12.	expd.	l.	high school
___	13.	mos.	m.	week
___	14.	schl.	n.	trainee
___	15.	mfg.	o.	manufacturing
___	16.	co.	p.	company

Now see if you can write a want ad of your own. Use abbreviations whenever possible.

The Eliot Supply Company wants to find a young man to drive a delivery truck.
The phone number of the company is 261-7777.
The young man must have a driver's license and be 21 years of age.
The applicant is to call Eliot Supply Company between 9 and 4, Monday or Tuesday, to arrange an interview.
The salary will be $150. weekly, with opportunity for advancement.

HELP WANTED

_____

_____

_____

_____

_____

E. L. Flowers Economics Want Ads Student sheet

Would you like to have a part time job? Try reading the ads in the Help Wanted section of your newspaper. Very often the words will be abbreviated (made shorter), and the ads may appear hard to read. Some common abbreviations are:

H.S. -- high school	sal. -- salary
steno -- stenographer	trnee. -- trainee
ass't. -- assistant	amt. -- amount
exp. -- experienced	tel. -- telephone

Read the following want ads. Then answer the questions by putting the correct answer in the blank in front of the question.

1. Airline SECRETARY
H.S. DIPLOMA. Needs steno and typing. $110 to start. Call Jim Grant 756-8609

2. BOOKKEEPER ASS'T.
Leading frim looking for person with exp. Good sal. 9-5 224 Washer Ave. Mr. Andrews

3. Bank Teller TRNEE
Bank needs bright person in math for trainee. $80. Call Progressive Agency 492-6033

4. CLERK
Must be good at figures Typing not required. $90. starting sal. Apply at 103 Start St.

5. GIRL FRIDAY
Work for City Councilman. Type, run office, file, attend meetings, phones. $125. Apply Harper and Lowell, 325 Main St., 9-4.

6. RECEPTIONIST
needed for small office. Answer phones, make appointments, keep books, typing, filing. Apply Coppin Bldg. Dr. Duffy, 10-3.

____1. Are the salaries of (1) and (3) given for the week or the month? a)week b) month.
____2. Give the numbers of any ads that offer to train you.
____3. Would the girl in ad 5 be required to meet the public?(yes or no)
____4. Do all the ads mention the salary? (yes or no)
____5. How many of the ads require typing skills?
____6. Which ad would be good for a person who likes math?
____7. How many ads want you to apply in person?
____8. Which ads offer to train you?

1. Want ads are usually found in the a) phone book, b) newspaper, c) grocery section of the newspaper.

2. Tel. is the abbreviation for a) tell, b) telephone, c) television.

E. L. Flowers Economics Ads Student sheet

Read the following want ads. Use your pencil and circle every abbreviation that you can find. At the bottom of this page, list at least five abbreviations that you located and tell what each means.

1. MECHANIC full or pt. time. expd. Needs drv. lic. Shirley Mfg. Co., 13-W. 11th St. Tel. 691-3076 or apply in persn. bet. 11-3 wkdays.

2. WAITRESS Meals, $60, and exel. tips. Call Mrs. Bond, 736-4000 bet. 4-10 for intervw.

3. MAN or WOMAN wanted to learn selling in lge. dept. store. Must be hi. schl. grad. $90. wk. to start; raises every 6 mos. if work is satfy. Call 373-9000, 9-9, exc. Sun.

4. YNG. MAN, drv. lic., deliver to supermkts. Must be strong and able to handle large loads on carts. Must know city. Apply in prsn, 636 E. Main St., Mon.-Fri., 10-4. Ask for Mr. Stephens.

List the abbreviations you found.

_____

_____

_____

_____

_____

_____

1. How many of the above jobs require high school education?_____

2. How many of the above jobs could you apply for when you are ready to work?_____

3. How many of the above jobs would you like to have for at least five years? _____

4. Does it seem that some training will be necessary for you in order that you can find jobs different from these?_____

Why are prices rising? Why does a cloth winter coat cost $69.95 now, when two years ago you could have bought a similar coat for $49.95?

Consider the cost of the coat divided between the store owner and the coat's maker.

The maker of the coat might have these costs:

fabric and trim	$18.00
salaries for cutter and sewer (per coat)	4.00
rent, power bills, cost of machines	6.00
shipping (truck,driver)	2.00
Cost of making coat	$30.00
Profit of coat maker	10.00
	$40.00

The owner of the store where the coat is sold might have these costs:

store owner's costs paid to maker	$40.00
clerk's salary	3.00
newspaper ads, store windows	3.00
store rent, electric, water, security	15.00
average cost to customer for shoplifting	3.00
	$64.00

$69.95
-64.00
$ 5.95 store's profit per coat

How much would the customer be saved if there were no shoplifting? _____
Where, besides the heading "shoplifting", is shoplifting cost also included? _____
Who makes greater profit -- maker of the coat or the store that sells it? _____
Does a store ever lose money when clothes don't sell and they must be reduced? _____

Why are "discount stores" (K-Mart, Twin Fair, Ontario's) able to sell merchandise cheaper than large dept. stores? _____
Are there as many clerks to wait on you? _____

Can you sew your own clothes (or pay someone to make them) for less cost than buying them made? _____

What costs would not have to be included in clothes you make? _____

What costs would have to be added for clothes you make? _____
(thread, pattern --)

E. L. Flowers Economics Consumers & Producers Student sheet

In our economic system, the buyers and sellers are often known by another name -- buyers are "consumers" and sellers are "producers."

The things that are produced and consumed are known as goods and services. Goods are such concrete things as clothing, groceries, cars, furniture; services are things done for us -- nurses, barbers, mechanics, secretaries produce services that are consumed (bought) by people.

In an exchange of money for goods, we have more than just a buyer (who purchases a car (A CONSUMER) and a seller who makes the car (Ford Motor Company). The salesperson who sells the car performs a service; thus the buyer's (consumer's) money buys goods (the car),and many services (the people who transport the car, the salesperson, the receptionist, the person who washes the car just before you receive it, the person who figures your down payment and interest perform services).

Tell whether the following people are producing goods or services.

barber_____ chef_____ plumber_____

teacher_____ carpenter _____ farmer _____

maintenance_____ salesperson_____ electrician_____

insurance agent _____ cashier _____ bank teller _____

tailor _____ doctor _____ bus driver _____

dry cleaner _____ locksmith _____ mechanic _____

printer _____ principal _____ painter _____

From the above list, can you name at least two people who produce goods and services?

_____ and _____

Are you acting as a <u>producer</u> or <u>consumer</u> in the following instances?

fixing dinner _____

having the car washed _____

going to class _____

E. L. Flowers, Economics Charge Accounts Student sheet

Another way to avoid carrying money and to keep track of your spending is to charge some items that you buy. Before you are allowed to open an account at such stores as Shillito's or McAlpin's, you must 1-- fill out an application 2--agree to the store's charge account agreement, and 3--wait a few days before your charge plate arrives, during which time the store investigates the information on your application and your credit at other stores (your credit rating).

For a regular 30-day charge account you pay the balance in full in a month. Then there are no finance or service charges.

A BCA Budget Charge Account (Revolving Credit) allows you to stretch payments, paying an amount in a month which depends on your balance.

The MPA Major Purchase Account (extended payment plan) allows you to pay for large purchases over a longer period of time.

Some enticements stores offer to those who want to open charge accounts include:

1-- Private Courtesy days
2-- Notices of coming specials
3--Special sales for charge customers only
4-- Shopping by phone

Below is the store's explanation of a finance charge, taken from Shillito's agreement:

"Shillito's BCA terms now provide for minimum monthly payments on any account in accordance with the following schedule:

When my new balance is up to:	My minimum required payment is:
$10.00	New balance
10.01 to 100.00	$10.00
100.01 to 150.00	15.00
150.01 to 200.00	20.00
200.01 to 250.00	25.00
250.01 to 300.00	35.00

For balances over $300.00 your payment is $35.00 plus ½ of the amount in excess of $300.00".

"A finance charge may be imposed with respect to a current billing period which opens with a balance owing from the prior billing period.. To avoid a finance charge, the total amount owing at the close of any billing period must be completely cleared prior to the closing date of the next following billing period. The maximum amount or rate of the monthly finance charge to be imposed hereunder is as follows: a minimum finance charge of $.50 if the unpaid balance does not exceed $35.00; any greater finance charge will be determined by applying a periodic rate of 1½% (18% annual percentage rate) to the first $600. of previous balance and of 1% (12% annual percentage rate) to any excess over $600."

The yearly interest on $600. would be $108.; the total bill would be $708. for purchases which totaled $600.

The yearly interest on $700. would be - 18% for the first $600 ($108) + 12% for the next $100. ($12) -- Total= $600. + 108. + 12. = $820 for $600. for a year.

REMEMBER: Before you open any kind of charge or credit account, be sure you read the entire application.

APPLICATION FOR CHARGE

your name _____ spouse's first name _____ home phone _____

present address _____ how long? _____ business phone _____

previous address _____ how long?_____

Are you: single___married___widowed___divorced___ Do you own your home?_____ rent?_____

Your age_____ spouse's age _____ number of children _____

E. L. Flowers Economics Budgeting income Student sheet

In the last lesson, you learned about finance charges and about some of the offers a store makes to prospective customers. You learned also about finance charges and penalties for not paying promptly.

You may want to consider some of the following questions:

Is it wise to budget your income? Why?

Some economists have suggested using the following percentages to figure the amount of net income you can allow for various expenses. (Net income is your "take home pay" withholding taxes. retirement, Social Security, hospitalization are already taken out).

	Possible Budget
Housing	30%
Car	10%
Food	23%
Clothing	8%
Medical care	5%
Personal care	3%
Work expense	2%
Fun	
Savings	
Education	19%
Contributions	
Insurance	
	100%

Suppose your take home pay is $500. monthly.

If you allow these per cents for other items, you will have only $50.00 a month for your car. So in order to make car payments--repairs--gas--insurance--you will have to cut down on other categories.

In the above budget, where will gas, electricity, water bills, property taxes fit? Under housing?

If you want a better place to live, you may adjust the amount for food and clothing.

Many people use more for fun and less for savings. How will this affect them in years to come?_____

Suppose your take home pay is $100. per week. Figure the amount of money you would spend for each of the above items keeping to the recommendations on this table.

Housing $30. per week
Car_____
Food_____
Clothing_____
Medical_____
Personal_____
Work expense_____

What adjustments can you make in the 19% to allow more for other categories where you would like to spend more?

E. L. Flowers Economics How Much Money Will You Make? Student sheet

As you know, prices and salaries have been rising for the past several years. We have been in a period of inflation (when prices are higher) and recession (when our money buys less and the unemployment rate is higher than normal). In the future, we may expect our salaries to be higher, the minimum wage to increase, but prices will probably go up also.

The following charts may be compared so that you can see how family incomes will be expected to rise during the 1970's. If you expect to be working in 1980, can you predict which will be your income level?

WHAT INCOME FAMILIES MADE IN 1970

Income	Percent of families
$25,000. and over	5%
$15,000. to $25,000.	19%
$10,000. to $15,000.	28%
$7,000. to $10,000.	19%
$5,000. to $7,000.	11%
$3,000. to $5,000.	10%
under $3,000.	8%

WHAT FAMILIES MIGHT MAKE IN 1980

$25,000. and over	13%
$15,000 to $25,000.	33%
$10,000. to $15,000.	23%
$7,000. to $10,000.	12%
$5,000. to $7,000.	8%
$3,000 to $5,000	6%
under $3,000.	5%

1. In 1970 what was the income of 8% of the families in the U.S.?_____
2. What percent of American families will be expected to be on the less than $3,000. level in 1980?_____
3. In 1970, most families had an income of _____.
4. In 1980, most families can expect to have an income of _____.
5. Will the number of poor people in 1980 be greater or less than the number of poor people in 1970?_____
6. What per cent of families will have an income of over $25,000. in 1980?_____
7. If income will be greater, will the amount of taxes to pay be greater or less?_____

1. Are incomes expected to rise or lessen as the years go by?_____
2. Have salaries risen during the past six years?_____